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TIPLO News

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This news mail distributed in Japanese and English from time to time provides updates on the development of law in Taiwan with focus on intellectual property rights law. For more information about the status of intellectual property right protection and practice in Taiwan, please visit our website www.tiplo.com.tw

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E190817Y1

E190816Y1

01 Daimler successfully has Taiwan-based Depo convicted of patent infringement in the first instance proceedings

Germany-based Daimler (hereinafter “Daimler”) initiated a civil lawsuit against Taiwan-based Depo Auto Parts Industrial Co. Ltd. (“Depo”), the leading vehlamp manufacturer in Taiwan, claiming that Depo infringed upon its Taiwanese design patent No. D128047, titled “headlights for vehicles”, by the products manufactured and sold by Depo. Depo’s made refutation by pointing out that Daimler’s design patent should be invalid and thus there should be no occurrence of infringement alleged against Depo, and also that Daimler abused its market position. On August 16, 2019, in the first instance proceedings, the IP Court ruled in favor of Daimler by sustaining Depo’s infringement and awarded Daimler TWD30 million payable by Depo. (August 2019)

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E190813Y2

02 Long-Drawn trademark case decided for Solutia against Taiwanese window film supplier

Singapore-based Solutia Singapore Ptd. Ltd. (hereinafter “Solutia”) sued Taiwan-based Leader Window Film Co., Ltd. (Chinese: 全統隔熱紙有限公司; hereinafter “Leader Window”) for Trademark Act violation also pursued this case civilly to seek damages of TWD5.25 million. Leader Window presented its defensive argument of bona fide prior use which should be not subject to any person’s trademark right. This case has gone through trials of three instances to be finalized in favor of Solutia.

Solutia maintained that its **V-KOOL** mark has been a well-known trademark due to its worldwide use in other countries for years, even though the **V-Kool** mark was registered in Taiwan in 1996 and promoted by its general distributor, V-Kool (Taiwan) Co., Ltd. (hereinafter “V-Kool Taiwan”), and that Leader Window’s imitation of the **V-Kool** mark has caused confusion on consumers, which has not only infringed upon Solutia’s trademark right but also affected trading order.

Earlier than V-Kool’s mark registration in 1996 in Taiwan, Leader Window has used the V-Kool mark on window film products since 1991 by presenting its quotation sheets issued in 1995 to prove its prior use before Solutia’s registration completed in 1996. Also as found and decided by the court in criminal aspects earlier, Leader Window’s prior use had formed its bona fide prior use before V-Kool’s mark registration, which is able to clear the offense of imitation alleged against Leader Window and sustain its continued use of the mark.

Taiwan IP Court examined and reviewed the details of quotation sheets provided by Leader Window and also the postal documents produced by Solutia, finding that Leader Window had once inquired about the possibility of acting as Solutia’s distributor in China and Taiwan before June 1996, which establishes a fact that it was not that Leader Window used the V-Kool mark without the knowledge of it and Leader Window’s bona fide prior use defense is not sustainable. The IP Court, therefore, decided on this case against Leader Window. This case was further brought to the Supreme Court but was still dismissed. The IP Court’s decision becomes final accordingly. (August 2019)

/CCS

E190801Y4

03 Former employee of a local company to pay near TWD1 million as default penalty to former employer for non-compete clause violation

Company A, a polarizer manufacturer filed a complaint against its former employee, surnamed Lu (hereinafter “Lu”) for trade secret infringement and violation of non-compete clause. Tainan District Court did not sustain the trade secret infringement alleged against Lu but ruled that Lu should pay TWD960,000 as default penalty to Company A for violation of non-compete clause. This case is appealable.

According to the judgment rendered by Tainan District Court, Lu had been employed by Company A from September 15, 2003 through September 15, 2014 and served as the chief of the section of production technology under the integration technology department from July through September 2014 under an employment agreement duly entered into by and between Lu and Company A (which agreement included non-compete and confidentiality provisions) and a confidentiality undertaking. Due to his job position, Lu was quite familiar with the confidential technology of Company A’s manufacturing process. After termination of his employment at Company A, however, Lu was later employed by Company C from September 22, 2014 (Company B’s subsidiary) as the manager of manufacturing department to be actually engaged in developing polarizer for Company B, which constitutes violation of the non-compete clause. In this regard, it is reasonable for Company A to request for Lu’s payment of damages in an amount of TWD960,000 calculated based on Lu’s annual salary.

Besides, Company A asserted that for his employment at Company B, Lu had taken advantage of his job position at Company A to reproduce and forward to his personal email address Company A’s significant information regarding Company A’s “T Project” of top secret and significance without authorization, for which Lu is suspected of leaking trade secrets to Company B. Even though “T Project” is considered Company A’s trade secret, Company A failed to produce evidence to prove Lu’s leakage of the trade secrets in regard to that Project to Company B and Lu’s trade secret infringement. Therefore, the part of the lawsuit filed by Company A against Lu’s trade secret infringement was found groundless and thus was dismissed accordingly. (August 2019)

/CCS

E190827Y9

04 Annual growth of IP investments to boost industrial transformation of Taiwan

Department of Statistics under the Ministry of Economic Affairs released the statistics of Taiwan’s fixed-asset investments on August 27, 2019*. According to the statistics, Taiwan’s fixed-asset investments in 2018 substantively grew by 2.5% to TWD3.7 trillion, and the growth rate for the first half of 2019 even jumped to 7.2%. Taiwan’s investments have always come from private sectors which have accounted for more than 80% of the investments every year since 2014 mainly in such areas as construction, machinery, and equipment. In the meantime, the investments in intellectual property have grown steadily in response to the intended industrial transformation and upgrading.

Taiwan’s investments in intellectual property has been increasing year by year to

make up 19.2% of overall fixed-asset investments in 2011, which rose to 23.9% in 2018, up 4.7% and surpassing Japan at a ratio of 22.4% in 2017, and also South Korea at 20.4%, but was lower than that of the US at 27.0%. With the increasing investments in knowledge capital, Taiwan is expected to gradually establish its competitive force and capacity for industrial innovation and originality. (August 2019)
/CCS

**Information regarding fixed-asset investments contained in this article is based on the national income statistics (exclusive of land) of the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan of Taiwan. As to the information based on the financial statements of listed and OTC companies, the additions of fixed-asset include land.*



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